

STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
NEW JERSEY BOARD OF REAL
ESTATE APPRAISERS

IN THE MATTER OF THE LICENSE OF	:	
	:	Administrative Action
CHAIM M. KATZ	:	
License # 42RA00432800	:	FINAL ORDER
	:	OF DISCIPLINE
TO ENGAGE IN THE PRACTICE OF	:	
REAL ESTATE APPRAISING IN	:	
THE STATE OF NEW JERSEY	:	

This matter was opened to the New Jersey Board of Real Estate Appraisers (the "Board") upon receipt of information which the Board has reviewed and upon which the following findings of fact and conclusions of law are made:

1. Chaim M. Katz ("Respondent") is a State Licensed Real Estate Appraiser in the State of New Jersey and has been a licensee at all times relevant hereto.

2. Pursuant to N.J.S.A. 45:14F-18 and N.J.A.C. 13:40A-5.3, all licensed and certified real estate appraisers are required to complete all continuing education requirements established by "The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria" promulgated by the Appraisal Qualifications Board of the Appraisal Foundation (the

"AQB"). The AQB requirements are incorporated by reference in the Board's regulations. For the two year period between January 1, 2010 and December 31, 2011, the AQB Qualification Criteria mandated that appraisers complete a minimum of twenty-eight (28) class hours of approved continuing education.

3. Pursuant to N.J.A.C. 13:40A-5.4, all licensed and certified appraisers are required to complete a seven hour National Update Course on the Uniform Standards of Professional Appraisal Practice ("USPAP"), or its equivalent, at least once every 24 months. The AQB Qualification Criteria similarly mandate that appraisers must successfully complete the seven hour USPAP Update Course, or its equivalent, every two calendar years.

4. Pursuant to N.J.A.C. 13:40A-5.8, licensees or certificate holders are required to maintain documentation for at least four years of continuing education hours completed in order to verify program attendance and/or activity completion.

5. On or about December 19, 2011, Respondent completed and submitted an online biennial license renewal form, for the period January 1, 2012 through December 31, 2013, and Respondent's license was then renewed through December 31, 2013.

6. Respondent was asked on the biennial renewal application whether Respondent "completed the continuing education requirement during the past two years," referring to the biennial renewal period of January 1, 2010 through December 31, 2011. The renewal application included specific instructions regarding this question, which read:

As a condition of renewal, licensees are required to obtain at least 28 credit hours of approved continuing education for each biennial renewal period subsequent to licensure/certification or 14 hours of continuing education if initially licensed or certified in the first six months of the second year. If initially licensed or certified during the last six months of the second year, no continuing education is required. If you are exempt from this requirement for this renewal period only, please answer "yes" to this question. Credits may not be carried over to another renewal period.

Respondent answered "yes" to the question.

7. Respondent was asked on the biennial renewal form whether Respondent successfully completed the seven hour National USPAP Update Course, or its equivalent, during the past two years, referring to the biennial period of January 1, 2010 through December 31, 2011. The renewal application included specific instructions regarding this question, which read:

As a condition of renewal, licensees must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years.

Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.

Respondent answered "yes" to this question.

8. Respondent certified, when submitting the renewal application, that all of the information on the renewal form was true and complete to the best of Respondent's knowledge, and acknowledged awareness that if any of the information submitted was willfully false, Respondent would be subject to punishment and/or disciplinary sanction to include license suspension or revocation or the imposition of civil penalties as provided by law.

9. After January 1, 2012, the Board commenced a continuing education audit, asking a random sampling of its licensees to submit documentation to verify completion of required continuing education. Respondent was selected for inclusion within the continuing education audit.

10. On or about February 22, 2012, all licensees selected for inclusion in the audit were sent a notice, by regular mail, addressed to the address of record that the licensee maintained with the Board, advising of the need to supply copies of documentation maintained to verify continuing education hours

claimed.

11. In response to the audit, Respondent listed fifty-one and a half (51.5) hours of continuing education that he maintains he completed within the relevant time period. However, Respondent only supplied documentation verifying completion of twenty-two and a half (22.5) hours of approved continuing education, which did not include completion of a seven hour USPAP Update Course, or its equivalent. Respondent listed the same course twice (15 hour USPAP course) supposedly taken within three months of one another. Respondent failed to provide documentation of completion of the other course he listed.

CONCLUSIONS OF LAW

Respondent failed to demonstrate, to the satisfaction of the Board, completion of the required twenty-eight (28) hours of approved continuing education for the two year period between January 1, 2010 and December 31, 2011. While Respondent was able to verify twenty-two and a half (22.5) hours of approved continuing education, Respondent failed to demonstrate completion of five and a half (5.5) hours of required continuing education. The Board therefore found Respondent in violation of

N.J.A.C. 13:40A-5.3, which in turn subjected Respondent to sanctions pursuant to N.J.S.A. 45:1-21(e) and 45:1-21(h).

Respondent failed to demonstrate, to the satisfaction of the Board, completion of a seven hour USPAP Update Course, or its equivalent, for the two year period between January 1, 2010 and December 31, 2011. The 15 hour USPAP course contains a different curriculum than the 7 hour USPAP Update course and cannot be used to satisfy the requirement for a 7 hour USPAP Update course. The Board therefore found Respondent in violation of N.J.A.C. 13:40A-5.4, which in turn subjected Respondent to sanctions pursuant to N.J.S.A. 45:1-21(e) and 45:1-21(h).

Based on the above findings and conclusions, the Board further found that Respondent falsely certified on the renewal application that all responses to all questions that were asked on that application were true. By doing so, the Board found that Respondent engaged in misrepresentation, and was therefore subject to sanction pursuant to N.J.S.A. 45:1-21(b).

DISCUSSION

Based on the foregoing findings and conclusions, a Provisional Order of Discipline suspending Respondent's license

and imposing a one thousand seven hundred and fifty dollar (\$1,750) civil penalty was entered on December 20, 2012. Copies were served upon Respondent via regular and certified mail. The Provisional Order was subject to finalization by the Board at 5:00 p.m. on the thirtieth day following entry unless Respondent requested a modification or dismissal of the stated findings of fact and conclusions of law by setting forth in writing any and all reasons why said findings and conclusions should be modified or dismissed and submitting any and all documents or other written evidence supporting respondent's request for consideration and reasons therefor.

Respondent replied to the Provisional Order and acknowledged that he made an error in thinking that the 15 hour USPAP course he attended would satisfy the requirement of a 7 hour USPAP Update course. He acknowledged that he failed to do his due diligence to become properly informed about what course was required. Licensees have a duty to know the regulations which govern their practice. Additionally, the wording of the question and the special instructions on the renewal form are provided to licensees as an aid and reference to the regulations which govern the practice of real estate appraising. The

requirement for a 7 hour USPAP Update course is specifically set forth in the regulations and on the renewal application.

Respondent further maintained that at the time of his license renewal on December 19, 2011, he thought that he would be getting credit for a Valuation Expo that he maintains he attended in November 2011. As such, Respondent answered that he had completed all the required continuing education on his renewal form.

After renewing his license, Respondent received the form and letter from the Board in February 2012 requesting him to provide evidence of completion of continuing education. At that time, Respondent again certified that he completed fourteen hours of continuing education in November 2011 for attending the Collateral Valuation Expo. Respondent now maintains that the organizers of the Expo will not issue him a Certificate of Completion because the organizers were not able to verify his attendance at the Expo. Apparently, the organizers have a lack of evidence in the form of an attendance sheet signed by Respondent.

Respondent further provided certificates of completion indicating that he had completed continuing education for his

New York license in 2012, which courses were not approved as continuing education for New Jersey. Additionally, Respondent completed twenty-one hours of continuing education in 2013 that have been approved for New Jersey.

The Board reviewed Respondent's submissions and determined that further proceedings were not necessary. The Board was not persuaded that the submitted materials merited further consideration. The Board finds that Respondent has failed to demonstrate, to the satisfaction of the Board, completion of the fourteen hour Expo in November 2011. Without a certificate of completion, and in light of the fact that the organizer is unable to verify Respondent's attendance, the Board is disinclined to grant those hours of continuing education credit. Signing attendance sheets is an integral part of attending and gaining credit for continuing education.

As such, Respondent demonstrated completion of twenty-two and a half hours of continuing education within the biennial period of January 1, 2010 - December 31, 2011. Inasmuch as Respondent subsequently completed continuing education which may be applied to cure the deficiency of the previous biennial period, the Board determined that suspension was no longer

warranted. The Board has determined that the civil penalties for providing false answers should be reduced to reflect that at the time of renewal, Respondent reasonably thought that he had completed twenty-eight hours of continuing education. However, Respondent was subsequently unable to demonstrate completion of the required twenty-eight hours. Lastly, Respondent failed to take a 7 hour USPAP Update course and provided a false answer on the renewal concerning that course.

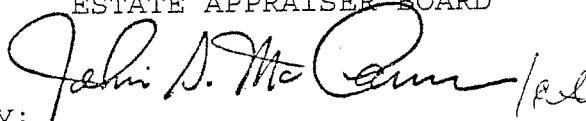
WHEREFORE, it is on this 12th day of March, 2013

ORDERED that:

1. Respondent is hereby assessed a civil penalty in the amount of one thousand two hundred and fifty dollars (\$1,250). Said penalty is an aggregate penalty, which includes a penalty in the amount of five hundred dollars (\$500) for having provided a false answer to one question on the biennial renewal application (that is, falsely claiming completion of a seven hour USPAP Update Course, or its equivalent); two hundred fifty dollars (\$250) for failing to complete five and a half (5.5) hours of required continuing education; and five hundred dollars (\$500) for failing to have completed a seven hour USPAP Update Course, or its equivalent.

Payment shall be made by certified check or money order payable to the State of New Jersey, delivered or mailed to Charles Kirk, Executive Director, State Board of Real Estate Appraisers, P.O. Box 45032, Newark, New Jersey 07101. Payment shall be made no later than 15 days after the date of filing of this Final Order of Discipline. In the event Respondent fails to make a timely payment, a certificate of debt shall be filed in accordance with N.J.S.A. 45:1-24 and the Board may bring such other proceedings as authorized by law.

NEW JERSEY STATE REAL
ESTATE APPRAISER BOARD

By: 
John A. McCann
Board President